



WISCONSIN AGRICULTURAL STATISTICS SERVICE

P.O. Box 8934 Madison, WI 53708-8934

In cooperation with WI Department of Agriculture, Trade and Consumer Protection



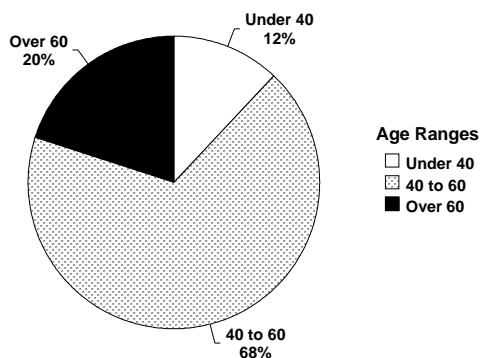
2004 Dairy Producer Survey

December 2004

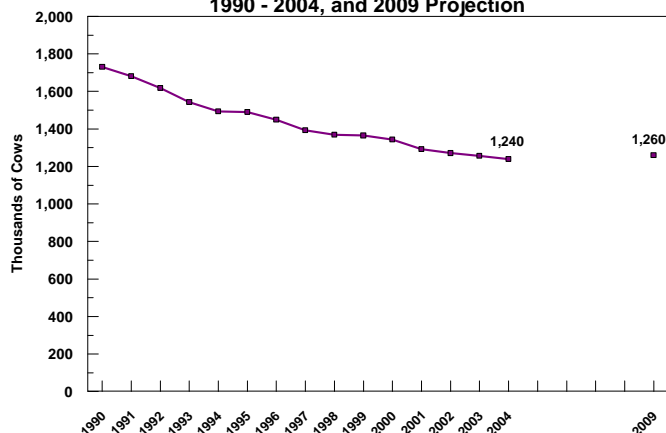
Wisconsin Dairy Producers Making Decisions

Wisconsin milk producers shared their current challenges and future plans with the Wisconsin Agricultural Statistics Service during September, October, and November 2004. Over 60% of the selected dairy operators responded to this voluntary survey. The average age of the farmers who participated in the survey was 52 years old.

Wisconsin Dairy Producers by Age Range, 2004



Wisconsin Milk Cows 1990 - 2004, and 2009 Projection



Wisconsin Dairy Herds by Herd Size

Milk cow herd size	2004 herds	2009 herds (projected) 1/	Change 2009/2004
	Number		Percent
1-29	2,200	1,150	-48
30-49	3,900	2,300	-41
50-99	6,500	4,700	-28
100-199	1,900	1,930	+2
200-499	700	890	+27
500+	200	330	+65
Total	15,400	11,300	-27

1/The 2009 projection is based on farmers' responses between September and November 2004, with the assumption that milk prices for the next five years will be at the same level as the past five years.

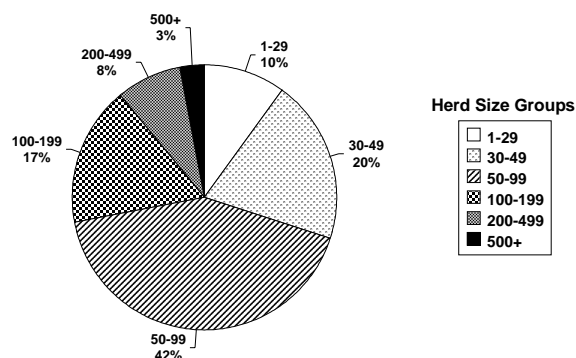
Wisconsin Dairy Operations Trend

Wisconsin continued to lose about 100 milking operations each month between 1993 and 2001. In 2004, the number of dairy farms lost each month was close to 50, or half those previous losses.

Some dairy producers have exited the business for personal reasons such as: health issues, retirement age, more time for the family, or other interests. Many Wisconsin dairy producers have experienced the stress of: high debt loads, pressure from urban sprawl, high health insurance premiums, and stray voltage issues.

Wisconsin has an excellent dairy infrastructure to assist those who choose to continue to milk cows. Annual milk production has remained steady. Increasing milk per cow and cows per herd have offset the decline in number of dairy herds.

Wisconsin Dairy Herds Percent of Herds by Size Group 2009 Projection



**Wisconsin Milk Production
1990 - 2004, and 2009 Projection**



Wisconsin Dairy Herds, 1999, 2004, and 2009

Year	Herds	Milk cows	Milk cows per herd
	Number		Average
1999	22,000	1,370,000	62
2004	15,400	1,240,000	81
2009 Projection 1/	11,300	1,260,000	112

1/The 2009 projection is based on farmer's responses between September and November 2004, with the assumption that milk prices for the next five years will be at the same level as the past five years.

Dairy Farmers Using Parlors Now and in 2009...

In the next five years, many milk producers plan to add parlors. About two thirds of the increase is expected to occur in two herd size groups— 50 to 99 and 100 to 199 head.

Respondents using milking parlors in 2004 include both farmers with plans to continue milking cows in 2009, as well as farmers who think they will no longer be milking in five years.

Operations expecting to use a parlor in 2009 include only those farmers with plans to continue milking until 2009 and beyond. The graph does not include new dairy operators who would build new parlors, nor does it include existing parlors where the farmer plans to exit the industry and another farmer may begin using that parlor in the future.

Rolling Herd Averages in Wisconsin

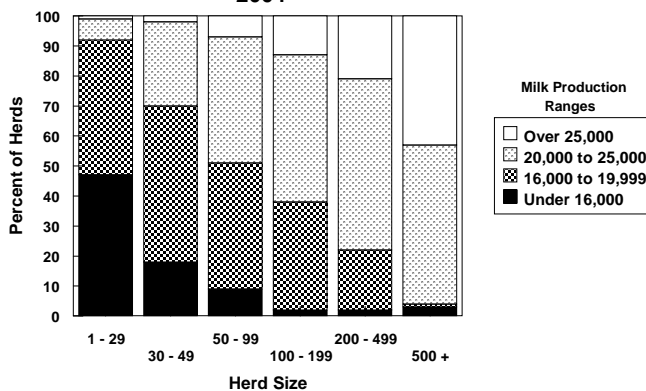
In 2003, Wisconsin dairy operations averaged 17,728 pounds per cow. The graph illustrates that rolling herd averages rise as herd size climbs.

In the smallest herd size group (1-29 cows), 47% of the operations produce under 16,000 pounds, and 45% are at 16,000 to 19,999. There were 52% of the herds with 30-49 cows producing in the 16,000 to 19,999 range.

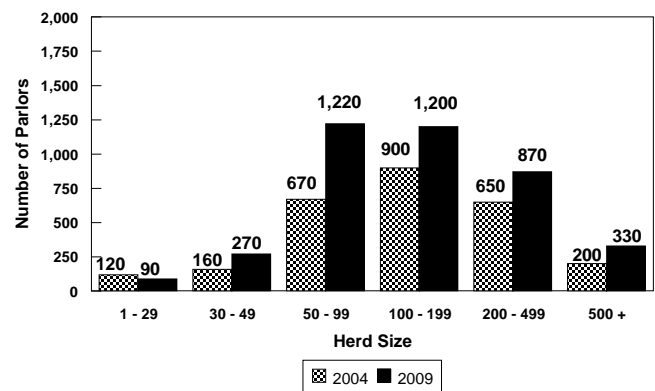
The 50-99 herd size group had 9% producing under 16,000 pounds, 42% in the 16,000 to 19,999 range, 42% at the 20,000 to 25,000 level, and 7% at the highest range, over 25,000 pounds. Farms with 100-199 cows had 49% of their operations milking at the 20,000 to 25,000 production range.

There were 57% of the herds with 200-499 cows producing milk at a rate of 20,000 to 25,000 pounds per cow. The largest size group (500+ cows) had 54% of the farms at 20,000 to 25,000 pounds and 43% over 25,000 pounds per cow.

**Wisconsin Rolling Herd Average
2004**



**Wisconsin Milking Parlors
2004 and 2009 Projection**



Wisconsin Dairy Producers Management Decisions 2000 - 2004

Dairy farmers selected for the survey reported on management decisions made between 2000 and 2004. The questions asked were on: testing for stray voltage, having concerns with stray voltage, using a feed nutritionist, testing for Johnes disease, having a business plan, and marketing milk with forward contracts or hedges.

Survey indications showed that almost 5,700 herds or 37% of the dairy farms in Wisconsin have tested for stray voltage within the last five years. Whether farmers tested or not for stray voltage, 44% noted that they have concerns about stray voltage on their farm. In early 2005, there will be a follow-up study done with those farmers that have concerns about stray voltage.

The survey responses indicated that 26% of Wisconsin dairy operations have tested for Johnes disease between 2000 and 2004. There are approximately 175 veterinarians in the state certified to perform on farm risk assessments. Johnes program information is available through the Wisconsin Department of Agriculture, Trade, and Consumer Protection.

Business plans were in use on 43% of operations during the last five years. More than half of the producers with 100 – 199 cows have a business plan. Grant assistance is available to Wisconsin dairy producers to create a business plan.

Farmers realize the importance of testing feed and balancing rations to increase milk output. Over 11,500 dairy producers, or 75% of the farms in the state, are using a feed nutritionist. Almost all of the farms with 100 cows or more have a feed nutritionist.

Forward contracting or hedging is being viewed by producers in the state as another way to market milk. Over a quarter of the farmers in the state have tried either forward contracting or hedging within the last five years. Farmers with 500 or more cows are the most active group; 91% have used forward contracting or hedging.

Wisconsin Dairy Producers Management Decisions in the Past 5 Years by Current Herd Size

Milk cow herd size	Have a Business Plan	Use a Feed Nutritionist	Use Hedging or Forward Contracting
	Percent		
1-29	24	39	6
30-49	37	66	14
50-99	44	84	28
100-199	56	91	51
200-499	81	98	70
500+	93	99	91
All Herds	43	75	27

Wisconsin Dairy Producers Management Decisions in the Past 5 Years by Current Herd Size

Milk cow herd size	Tested for stray voltage	Concerned about stray voltage	Tested for Johnes Disease
	Percent		
1-29	13	28	12
30-49	28	36	18
50-99	41	48	26
100-199	55	56	40
200-499	63	60	59
500+	77	65	77
All Herds	37	44	26

Dairy operations differ by production level as well as by size of herd. Operations at a particular rolling herd average range tend to make similar management decisions. As milk production levels increase, more dairy operations use these practices.

Wisconsin Dairy Producers Management Decisions in the Past 5 Years by Milk Production Range

Milk production range	Have a business plan	Use a feed nutritionist	Use hedging or forward contracting
	Percent		
Under 16,000	28	43	13
16,000 - 19,999	44	74	22
20,000 - 25,000	57	94	48
Over 25,000	80	96	76







Wisconsin Dairy Producers Management Decisions in the Past 5 Years by Milk Production Range

Milk production range	Tested for stray voltage	Concerned about stray voltage	Tested for Johnes Disease
	Percent		
Under 16,000	26	36	14
16,000 - 19,999	37	45	22
20,000 - 25,000	51	54	43
Over 25,000	63	52	63

Intensively-Managed Rotational Grazing Dairies in Wisconsin

- ! 115,000 acres used for rotational grazing
- ! 14% of all operations in 2004, increasing to 15% in 2009
- ! 48 cows per operation in 2004, rising to 58 cows per herd in 2009

Wisconsin Dairy Farms, 2004 and 2009

-  22.2 billion pounds of milk to 24.5 billion in 2009
-  17,900 rolling herd average to 19,400 in 2009
-  18% with milking parlors to 35% in 2009
-  340 organic dairy farms to 440 in 2009
-  More joint efforts between farmers, such as sharing machinery
-  More investments in manure handling systems and storage

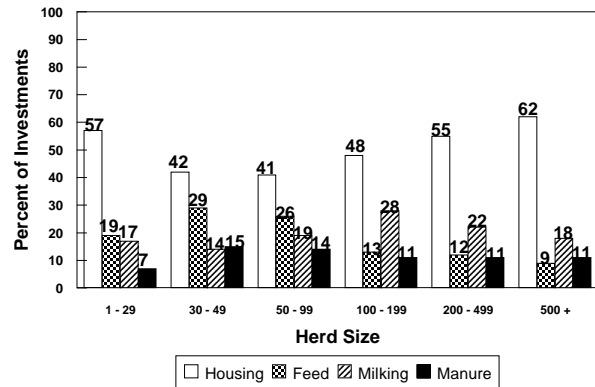
Wisconsin Dairy Farmers Investing in Facilities

The graphs include only those respondents that provided figures on facility investments. There were four main facility categories: dairy cow housing, feed handling and storage, milking system, and manure handling and storage.

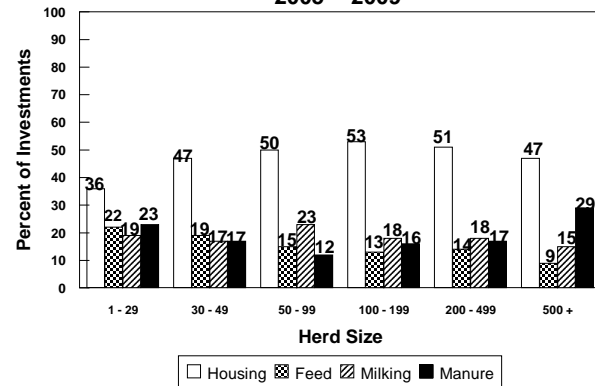
Between 2000 and 2004, the largest percentage of investing was spent on housing on all size farms. Between 2005 and 2009, the three middle size groups (30-49, 50-99, and 100-199 head) are planning to increase their percentage of investments in housing. Almost all of the size groups are planning to increase their percentage of investments in manure handling and storage.

We would like to thank those farmers who took the time to fill out this important survey. Dairy farmers' shared decisions and goals will keep a vibrant dairy industry in Wisconsin.

**Wisconsin Dairy Investments
2000 - 2004**



**Wisconsin Dairy Planned Investments
2005 - 2009**



Survey Methodology

Each dairy operation was assigned to a size group based on the number of milk cows in the herd. A random sample was selected from each group. The Dairy survey was mailed in the fall of 2004 to 3,000 dairy farmers. The four-page questionnaire asked farmers about their management decisions and their plans for 2009, with the assumption that milk prices for the next five years will be at the same level as the past five years. About 1,800 surveys were returned between September and November. The results were expanded by size group to account for all dairy herds in the state.